

EXHIBIT 5

**TO SECOND XU NUO DECLARATION
IN SUPPORT OF MOTION TO VACATE
MARITIME ATTACHMENT**

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Circular of the State Administration of Foreign Exchange on Printing and Distributing the Measures for Foreign Exchange Control in Bonded Areas under Customs Supervision

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Keyword:



The branches and foreign exchange administrative departments of the State Administration of Foreign Exchange (SAFE) in all provinces, autonomous regions, and municipalities directly under the Central Government, and the SAFE branches in Shenzhen, Dalian, Qingdao, Xiamen and Ningbo:

For the purpose of meeting the demands for further expanding and restructuring the functions of the bonded areas under customs supervision and facilitating trade and investment made by enterprises in these areas, the SAFE Head Office has formulated the Measures for Foreign Exchange Control in Bonded Areas under Customs Supervision (see the attachment, hereinafter referred to as these ☐ Measures) after consulting with the State Administration of Taxation and the General Administration of Customs. These Measures integrate various existing foreign exchange administrative policies applicable to different bonded areas under customs supervision, adjust the inconsistent policies governing foreign exchange purchases and sales inside and outside such areas while maintaining some preferential policies, and further simplify the examination procedures for external payments. These Measures are hereby printed and distributed for your earnest implementation, and clarify issues concerning the foreign exchange accounts of enterprises in export-processing zones as follows:

1. An enterprise in an export-processing zone that has opened foreign exchange accounts shall, before these Measures come into force, adjust the number and nature of the accounts according to the provisions of these Measures upon the approval of the local SAFE branches or the sub-branches (hereinafter referred to as the ☐ foreign

exchange bureaus□). Funds in the original foreign exchange accounts shall, upon the examination and approval of the foreign exchange bureaus, be transferred to the corresponding newly opened foreign exchange accounts based on the nature of such funds as declared by the enterprise.

The foreign exchange bureau shall, when examining the nature of the funds declared by the enterprise, consider the enterprise□'s capital, external debt, domestic foreign exchange loans, and other foreign exchange settlement information so as to accurately determine the nature of the funds and to avoid confusion.

2. The SAFE branches and foreign exchange administrative departments shall, upon receiving these Measures, promptly forward the same to the sub-branches under their jurisdiction and administration, and to banks and enterprises in various bonded supervision areas. In case of any problems encountered during implementation, please send feedback to the General Affaires Department of the SAFE in a timely manner.

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Attachments:

1. Measures for Foreign Exchange Control in Bonded Areas under Customs Supervision
2. Names of Repealed Documents after the Measures for Foreign Exchange Control in Bonded Areas under Customs Supervision Take Effect

□ August 15, 2007

□ □

Attachment 1: □

Measures for Foreign Exchange Control in Bonded Areas under Customs Supervision

Article 1 These Measures are formulated in accordance with the Regulations of the People's Republic of China on Foreign Exchange Control and other relevant laws and regulations for the purpose of improving foreign exchange administration in bonded areas under customs supervision and promoting sound development in these areas.

Article 2 The bonded areas under customs supervision mentioned in these Measures (hereinafter referred to as □ these Areas□) include bonded areas, export-processing zones, bonded logistic parks, bonded port areas, comprehensive bonded areas, cross-border industrial zones, and other special areas subject to close customs supervision.

Article 3 The SAFE and its branches (hereinafter referred to as the □ foreign exchange bureaus□) shall exercise supervision and administration of the institutional foreign exchange accounts, foreign exchange receipts and payments, and foreign exchange purchases and sales in these Areas according to the law.

Institutions in these Areas include administrative organs, enterprises, public service units, and other economic

organizations.

Article 4 An enterprise in these Areas shall, after obtaining an industrial and commercial business license, go through the foreign exchange registration procedures in the local foreign exchange bureau in accordance with the relevant provisions.

When an enterprise in these Areas deals with foreign exchange business, it shall present its foreign exchange registration certification and handle the aforesaid business upon the strength of valid vouchers and commercial documents.

Article 5 Economic exchanges between these Areas and overseas shall be priced and settled in foreign currency, except as otherwise provided.

Transactions under goods trade between these Areas and domestic territory outside the bonded areas under customs supervision (hereinafter referred to as □ Territory outside these Areas□) can be priced and settled in renminbi or other foreign currencies; the pricing and settlement currencies of subordinate charges under goods trade shall be handled based on business practices; and transactions under services trade shall be priced and settled in renminbi.

Transactions between institutions in these Areas may be priced and settled in renminbi or other foreign currencies; all regulated fees of the administrative institutions in these Areas shall be priced and settled in renminbi.

Article 6 As regards the capital receipts and payments between these Areas and overseas, institutions in these Areas shall submit a statistical declaration on the balance of payments in line with the provisions. Regarding the capital receipts and payments between these Areas and Territory outside these Areas, it is not necessary for institutions in these Areas and in Territory outside these Areas to present the aforesaid statistical declaration.

Article 7 Enterprises in these Areas shall open, use, and close foreign exchange accounts pursuant to the foreign exchange administrative provisions applicable to the Territory outside these Areas. Foreign currency accounts in these Areas shall uniformly be incorporated into the management information system for foreign exchange accounts for the purpose of administration.

Article 8 Different foreign exchange administration policies are applied for foreign exchange receipts and payments under goods trade by enterprises in these Areas according to the corresponding customs supervision mode of the bonded state of the goods.

An enterprise in these Areas, which engages in goods trade activities after registering its foreign trade right in the commercial departments, shall go through the registration formalities for □ Registering Importing Units that Make Payments in Foreign Exchange□ and the registration formalities for verification of export proceeds at the local foreign exchange bureaus according to the relevant provisions applicable to the Territory outside these Areas.

Article 9 Under any of the following circumstances, an enterprise in these Areas, which pays for goods to an overseas

enterprise or to an enterprise in the Territory outside these Areas, shall handle it at the banks by presenting valid vouchers and commercial documents that can prove compliance and the authenticity of the transaction.

(1) When an enterprise in these Areas imports goods from overseas or purchases foods of overseas enterprises from these Areas or the Territory outside these Areas, the enterprise may pay overseas through foreign exchange accounts or with purchased foreign exchange.

(2) When an enterprise in these Areas signs an export contract with an overseas enterprise, or applies to customs for goods exported through an enterprise in the Territory outside these Areas, its overseas payment for the goods may be transferred in the original currency to the enterprise in the Territory outside these Areas after it collects the foreign exchange proceeds.

(3) When an enterprise in these Areas purchases goods from an enterprise in the Territory outside these Areas, it may make direct payments. The banks shall handle the formalities for foreign exchange settlement or for entering the foreign exchange in its account according to the provisions.

(4) Other payments made overseas or to the Territory outside these Areas.

When an enterprise in the ☐ Register of Importing Units that Make Payments in Foreign Exchange ☐ pays for goods in another place, it shall attend to the registration formalities for import proceeds in foreign exchange according to the provisions. ☐

Article 10 In cases when an enterprise in these Areas makes overseas payments for goods, verification of the import payments is not required unless otherwise provided by these Measures.

When an enterprise in these Areas makes overseas payments upon the strength of the customs declaration form for importing goods or makes overseas payments with purchased foreign exchange upon the strength of the list of entry goods which has been put on file, the paying bank shall then go through the formalities of verifying the electronic account and writing off the case according to the provisions.

When an enterprise in these Areas makes overseas payments for goods by purchasing foreign exchange in a way other than payment on delivery, it shall, within the stipulated time, provide the paying bank with the customs declaration form for importing goods or with an original list of the customs record, and the bank shall handle the corresponding formalities according to the aforesaid clause. In cases of failure to provide the above-mentioned documents within the stipulated time, the paying bank shall, within 3 working days after the ending date of each quarter, submit a list of such enterprises in these Areas to the local foreign exchange bureau, which shall be responsible for examining the authenticity of the foreign exchange receipts and payments case by case.

Article 11 When an enterprise in these Areas exports goods overseas and registers the bonded goods leaving the country with customs, it is not required to handle the verification of export proceeds after the collection of foreign

exchange. Those in these Areas that declare with customs the export of non-bonded goods shall carry out the verification of export proceeds at the local foreign exchange bureau according to the relevant provisions applicable to the Territory outside these Areas.

Article 12 In cases of transactions between enterprises in these Areas, these enterprises shall make payments in renminbi or through their foreign exchange accounts at the banks upon the strength of valid vouchers and commercial documents that can prove compliance and the authenticity of the transactions, such as invoices, contracts, or agreements.

Article 13 When an enterprise in the Territory outside these Areas purchases goods from these Areas, it may, upon the strength of valid vouchers and commercial documents, make the payments to the enterprise in these Areas, or directly to the overseas enterprise, or to other enterprises with the right to the goods in the Territory outside these Areas. After receiving the aforesaid foreign exchange, the enterprise with the right to the goods in the Territory outside these Areas shall handle the verification and writing-off formalities upon the strength of the credit advice or foreign exchange settlement voucher.

Article 14 In cases when an enterprise in these Areas deals with sales of foreign exchange proceeds under the current account and purchases and payments of foreign exchange under the services trade, it shall handle the business in accordance with the relevant provisions applicable to the Territory outside these Areas.

Article 15 In cases when an institution in these Areas conducts foreign exchange transactions under the capital account, it shall handle the business in accordance with the relevant provisions applicable to the Territory outside these Areas.

Assets obtained by foreign investors due to liquidation of an institution in these Areas may be remitted abroad or re-invested in the Territory upon examination and approval by the foreign exchange bureau; and assets acquired by Chinese investors shall be returned to the Territory outside these Areas in a timely manner and handled according to the relevant provisions.

Article 16 Banks shall, after handling the procedures for foreign exchange purchases or sales for enterprises in these Areas, sign in a corresponding column of the foreign exchange registration certification and retain the relevant vouchers and commercial documents for future reference.

Article 17 The foreign exchange bureaus shall, on a regular or irregular basis, supervise and inspect the foreign exchange receipts and payments and foreign exchange business operations of the banks and other institutions in these Areas. Those in violation of these Measures shall be punished in accordance with the Regulations of the People's Republic of China on Foreign Exchange Control and other foreign exchange management provisions; giving a warning, circulating a notice of criticism, or imposing a fine of not more than RMB 30,000 in cases when no stipulations are

provided in the Regulations of the People's Republic of China on Foreign Exchange Control and other foreign exchange management provisions, or when the punishment manner or standard provisions are not specified. The rights to directly conduct foreign exchange sales and purchases at banks of those handling foreign exchange sales and purchases in breach of these Measures shall be suspended or nullified.

Article 18 These Measures shall be applicable to the bonded logistic centers (Types A and B), and the diamond exchanges, and so on.□

Article 19 These Measures shall be effective as of October 1, 2007 and the SAFE is responsible for the interpretation of these Measures. Relevant foreign exchange management regulations applicable to the Territory outside these Areas shall be abided by when no clear provisions are given in these Measures. In cases when any previous provisions of foreign exchange administration contradict these Measures, the provisions in these Measures shall prevail. □

Attachment 2:

Names of Repealed Documents after the Measures for Foreign Exchange Control in Bonded Areas under Customs Supervision Take Effect

The following documents shall be repealed as of the date when the Measures for Foreign Exchange Control in Bonded Areas under Customs Supervision become effective:

1. The Circular on Issues Concerning Foreign Exchange Management in Bonded Logistic Parks by the State Administration of Foreign Exchange (HuiFa No.92 [2005]) □
2. Reply of the General Affairs Department of the State Administration of Foreign Exchange on Matters related to Foreign Exchange Purchases under the Item of Import Entry by Enterprises in the Haikou Bonded Area (HuizongFu No.16 [2005]) □
3. Reply of the General Affairs Department of the State Administration of Foreign Exchange on Foreign Exchange Allocations and Transfers from Enterprises in Bonded Areas to Enterprises outside Bonded Areas but within Chinese Territory (HuizongFu No.79 [2004])
4. Reply of the General Affairs Department of the State Administration of Foreign Exchange on Foreign Exchange Purchases by Automobile Distribution Enterprises in Bonded Areas (HuizongFu No.32 [2003])
5. Reply of the General Affairs Department of the State Administration of Foreign Exchange on Foreign Exchange Payment Issues by Enterprises in Bonded Zones Concerning the Purchase of Goods Stored in Warehouses by Overseas Companies (HuizongFu No.27 [2003])
6. Circular of the State Administration of Foreign Exchange on Promulgating the □ Measures for Foreign Exchange Control in Bonded Areas □ (HuiFa No. 74 [2002])

7. Circular on Issuing Provisional Measures for Foreign Exchange Administration in Export-Processing Zones (HuiFa No.116 [2000])

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